

## **Angel Fire Public Improvement District 2007-1**

3465 Mountain View Blvd., Suite 14 PO Box 1046, Angel Fire, NM 87710 575-377-3483

### **Board Meeting Minutes**

**May 11, 2017 at 2:00 pm at the PID Board Room**

- A. Call to Order - Chairman Alan Young called the meeting to order at 2:00 pm.
- B. Pledge of Allegiance - Chairman Young called for the Pledge of Allegiance.
- C. Roll Call - Present were Chairman Alan Young, Director Don Borgeson, and Director Carl Abrams (by phone). Vice Chairman Rakes and Director Burl Smith were absent. A quorum was present. Also present were Sally Sollars, District Administrator, and Nann Winter, General Counsel.
- D. Approval of Agenda – Director Borgeson moved to approve the agenda. Director Abrams seconded. The motion carried with none opposed.
- E. Approval April 20, 2017 Minutes - Director Borgeson moved to approve the April 20, 2017 minutes. Director Abrams seconded. The motion carried with none opposed.
- F. Requests and Responses from the Audience – None.
- G. Announcements and Proclamations – Ms. Sollars announced that there will be two Board meetings in June, on the 8<sup>th</sup> and the 22<sup>nd</sup>, to hold public hearings on the Preliminary Budget. The hearings allow the public to ask questions about the proposed budget. The approval of the final budget will be in July.
- H. Business
  - 1. Consider and Approve Fiscal Year 2018 Preliminary Budget – Chairman Young reported that the Finance Committee met on May 8 to consider the financial detail of preparing the 2018 budget and are recommending a 5% reduction in annual assessments. He then asked Ms. Sollars to report on the process to come to this recommendation. Ms. Sollars said that she and our consultant Donna Segura, of David Taussig and Associates, closely look at a current long-term cash flow reflecting the December 2016 loan refinance, which reduced the annual debt service by about \$350K, as well as finishing the project with Kit Carson this year. The current long-term cash flow projected net revenues after factoring the delinquency rate and an increase in rate over time based upon historical data. The cash flow report also included the funding of a reserve fund up to one year of debt service to be funded over the next four fiscal years. The District has been operating without a reserve since the end of construction. A reserved fund could also guard the District against a significant shortfall in revenues or unexpected expenses. A resolution stating the goal amount and the use of the fund will be required. Upon approval of the preliminary budget, as announced earlier, there will be two public hearings prior to the final approval in July. Director Borgeson moved to approve the preliminary budget as written. Director Abrams seconded. The motion carried with none opposed.

2. Discuss Renewal of Brokerage Services Contract – Director Borgeson reported that he had spoken with Tara Chism at Keller Williams about renewing the listings on the six District owned properties. The original contract was set to be renewed every two years upon consent. He will take what action is necessary to renew those listings.
- I. Consent Agenda – Ms. Sollars apologized for placing the Angel Fire Community Foundation’s bill for mail box renewal accidentally on last month’s agenda. The Community Foundation has reimbursed the District for that mistaken payment. The bill for mail box renewal on this agenda is for the District’s box. Director Borgeson moved to approve the Consent Agenda as written. Director Abrams seconded. The motion carried with none opposed.
  1. Stelzner, Winter, et al; Invoice #11188/11186 - \$6,570.96
  2. David Taussig & Associates; Invoice #1703154 - \$3,750.00
  3. Sally Sollars; Invoice #83 - \$7,807.86
  4. CenturyLink; Invoice dated 4/25/17
  5. Kit Carson Telcom; Invoice #331047 - \$97.43
  6. BMWs; May Rent; Invoice#15-003 166 - \$380.00
  7. USPO Box Fee; Invoice dated 5/31/17 - \$116.00
  8. Petty Cash Report; Balance \$64.15
- J. Reports
  1. Administrative Report – Ms. Sollars reported Kit Carson did resume work in Country Club 1B and should be done with pulling wire through conduit on Sierra Blanca and moving on to work on Brazos. After Brazos there will be only one section remaining to be done in Country Club 1B. That will leave only two other sections that have been started, but not yet finished in Chalets 2G and Angel Fire Village West.

Ms. Sollars attended the DFA Budget Conference in Albuquerque on April 26<sup>th</sup>. She had several meetings while there including with Nann Winter (General Counsel), Bret Weir (Village of Angel Fire Finance Director, the DFA Budget Analysts, Paul Cassidy (RBC Capital), and a hands-on demo of the LGBMS (Local Government Budget Management System). She said that the conference had been very worthwhile. Ms. Sollars is participating in the pilot group testing the beta system and will be changing the District’s chart of accounts to match the standardized chart of accounts that will be required for using the LGBMS.

Speaking of conferences, Ms. Sollars reported that the travel line item in the Fiscal Year 2018 budget had been increased. For the current fiscal year, there were several unexpected travel events for both Ms. Sollars and Chairman Young. It also seems that the State is offering several new conferences where attendance is expected.



The 3<sup>rd</sup> Quarterly Report was submitted along with revised 2<sup>nd</sup> Quarterly Report. This was the first time that an Analyst approved was received. The Preliminary Budget for Fiscal Year 2018 is due to DFA on June 1<sup>st</sup>.

Ms. Sollars spoke with Colfax County Treasurer Kathy Trujillo about a recent decision she had made to allow a delinquent property owner pay his property taxes without paying the co-equal delinquent assessments. This was a cause for deep concern to the Board who resolved not to let this stand as it was opposed to the PID statute. However, when Ms. Sollars spoke with Ms. Trujillo she reported that reversed her decision on the matter and applied the tax payor's payment to the oldest delinquency on the record including the assessment. Ms. Sollars said that the most recent collections report has confirmed that. She said that she had thought that by accepting payment of the taxes and putting this owner on a payment plan to pay the delinquent assessments would be a win-win for the County/State and the District. However, once she had a chance to think that through, she realized that the practice was not in compliance with the co-equal status of the annual assessment. She vowed that this would never happen again.

April collections were \$18,263, which is \$5K more than what was projected. There was one prepayment collected in the amount of \$54.5K. So far this year there has been about \$300K in prepayments. The friendly letters went out to delinquent property owners a few weeks ago. The office has been receiving calls as has the County Treasurer's office. Ms. Sollars gave the Treasurer's office a heads up when the letters went out.

As mentioned, the Finance Committee met on Monday. The committee reviewed the long-term cash flow, budget comparisons, reduction scenarios, and reserve scenarios. Now that the preliminary budget is approved, there will be two public hearings on June 8<sup>th</sup> and June 22<sup>nd</sup> prior to final approval and submission to DFA.

2. Treasurer's Report – Chairman Young did not call for a Treasurer's Report in absence of the Treasurer. The Report was distributed earlier this week for Board review.
- L. Executive Session – At 2:35 Chairman Young announced that we would have a closed Executive Session Meeting and that no decisions would be made and only items on the agenda would be discussed. Director Borgeson moved to enter executive session. Director Abrams seconded. Roll call vote: Chairman Young; aye, Director Borgeson; aye, and Director Abrams; aye. The motion carried with none opposed.

Chairman Young returned to the Board Meeting at 3:01 pm by stating "No decisions were made during the Executive Session and the only items discussed were on the agenda".

Let the record show that pursuant to NMSA 1978, Section 10-15-1 (H) (7) on May 10, 2017 at 2:35 pm at the PID Board Meeting Room the PID Board held a closed meeting to discuss litigation regarding Angel Fire Resort membership fees. Let the minutes reflect that the matters discussed in the closed meeting were limited only to those specified in the notice of the separate closed meeting.

M. Adjournment – Chairman Young adjourned the meeting at 3:02 pm.

Next Regular Board Meeting and 1<sup>st</sup> Reading of the Preliminary Budget will be June 8, 2017. The 2<sup>nd</sup> Reading of the Preliminary Budget will be June 22, 2017.

  
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Don Borgeson, Chairman Pro Tem

ATTEST:   
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Sally Sollars, District Administrator